

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Balance Sheet As of 6/30/2008

	As of <u>6-30-08</u>	As of <u>6-30-07</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 682,056,359	\$ 792,761,811
INTERNATIONAL EQUITIES	252,078,034	313,679,267
DOMESTIC FIXED INCOME	554,026,769	523,514,215
INTERNATIONAL FIXED INCOME	90,076,982	83,837,842
REAL ESTATE	121,924,794	114,219,432
ALTERNATIVE INVESTMENTS	99,234,751	85,207,940
INVESTED CASH (NOTE 1)	<u>9,799,104</u>	<u>19,621,766</u>
TOTAL INVESTMENTS	1,809,196,793	1,932,842,273
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	3,833,437	4,507,629
MISCELLANEOUS RECEIVABLE	<u>2,765</u>	<u>2,247</u>
TOTAL RECEIVABLES	3,836,202	4,509,876
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	29,156,196	160,208,231
OPERATING CASH	<u>31,831</u>	<u>51,851</u>
TOTAL ASSETS	<u><u>\$ 1,842,221,022</u></u>	<u><u>\$ 2,097,612,231</u></u>
LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	29,156,196	160,208,231
ACCOUNTS PAYABLE	12,210	10,047
ACCRUED EXPENSES	19,647	20,042
INVESTMENT EXPENSE PAYABLE	<u>2,276,912</u>	<u>3,139,743</u>
TOTAL LIABILITIES	31,464,965	163,378,063
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,934,234,168	1,634,909,225
CASH IN DURING YEAR (NOTE 3)	3,208,999	0
CASH OUT DURING YEAR (NOTE 4)	26,165,000	20,410,000
NET INCREASE (DECREASE)	<u>(100,522,110)</u>	<u>319,734,943</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>1,810,756,057</u>	<u>1,934,234,168</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u><u>\$ 1,842,221,022</u></u>	<u><u>\$ 2,097,612,231</u></u>

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State Investment Board Profit and Loss Statement For the Month Ended 6/30/2008

	Month Ended <u>6-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 4,646,639	\$ 46,346,188
SECURITIES LENDING INCOME	<u>73,927</u>	<u>3,485,257</u>
	4,720,566	49,831,445
 GAIN ON SALE OF INVESTMENTS	 17,337,312	 225,740,015
LOSS ON SALE OF INVESTMENTS	<u>17,657,621</u>	<u>194,690,811</u>
 NET GAINS (LOSSES) INVESTMENTS	 (320,309)	 31,049,204
 INVESTMENT EXPENSES	 277,788	 11,257,255
SECURITIES LENDING EXPENSES	<u>23,479</u>	<u>3,123,166</u>
 NET INVESTMENT INCOME	 4,098,990	 66,500,228
 NET APPREC (DEPREC) MARKET VALUE	 (89,904,881)	 (164,352,654)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(406,328)</u>	<u>(2,479,176)</u>
 TOTAL INVESTMENT INCOME	 <u>(86,212,219)</u>	 <u>(100,331,602)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	23,017	190,508
 NET INCREASE (DECREASE)	 <u>\$ (86,235,236)</u>	 <u>\$ (100,522,110)</u>

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Notes To Financial Statements
June 30, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.